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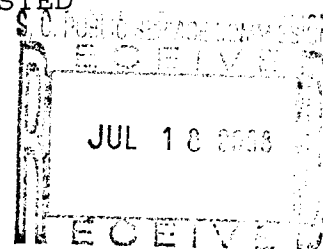
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July 17, 2008

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

The Honorable Charles L.A. Terreni,  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, South Carolina 29211



RE: Application of JACABB, Utilities, LLC To Establish Water Rates  
And For Approval Of Agreement For Water Service With Pointe West,  
Inc., To Serve Highpointe Development In Oconee County  
Case Number: 2008-173-W

Dear Mr. Terreni:

Please find enclosed twenty-five (25) copies of the prefiled direct testimony of the applicant in the above-referenced matter. I have also enclosed an additional copy and request that it be date stamped and returned to me in the envelope provided. I have also enclosed a certificate of service by mail for the same verifying that it has been served on the Office of Regulatory Staff.

✓ If you require anything further, or have any questions, do not hesitate to contact me.

With best regards, I remain,

Sincerely yours,

ALLEN AND EAKES

James S. Eakes

RETURNED BY OK postmarked 7/17  
OK D. Duke

CC: Shannon Bowyer Hudson, Esquire  
Stephen R. Goldie

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

IN RE: )

DOCKET NO. 2008-173-W )

APPLICATION OF JACABB )

UTILITIES, LLC To Establish )

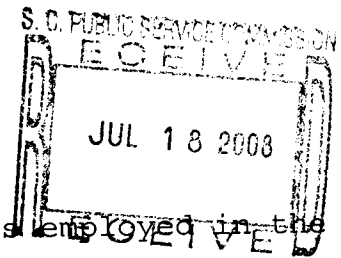
Water Rates And For Approval )

Of Agreement For Water Service )

With HighPointe Development )

In Oconee County )

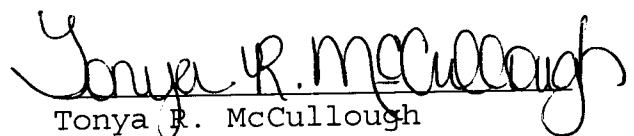
**Certificate of Service**



The undersigned hereby certifies that she is employed in the law offices of Allen and Eakes, 114 West Orr Street, Anderson, South Carolina, and is a person of such age and discretion as to be competent to serve papers.

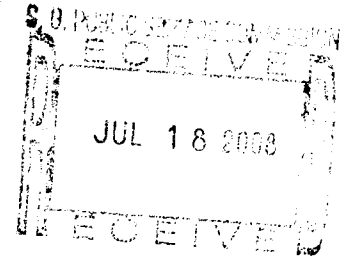
That on July 17, 2007, she served a copy of the *Prefiled Testimony of Stephen R. Goldie* in the above-captioned matter by placing said copy in a postpaid envelope addressed to the person or persons hereinafter named at the place(s) and address(s) stated below, by depositing said envelope and contents in the United States Mail at Anderson, South Carolina:

TO: Shannon Bowyer Hudson, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, South Carolina 29201

  
Tonya R. McCullough

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

DOCKET NUMBER: 2008-173-W



Application of JACABB Utilities, LLC To Establish  
Water Rates And For Approval Of Agreement For  
Water Service With Pointe West, Inc., To Serve  
Highpointe Development In Oconee County

PREFILED DIRECT TESTIMONY  
OF  
STEPHEN R. GOLDIE

**Testimony of Stephen R. Goldie**

**For Applicant**

**Docket Number: 2008-173-W**

Q. Please state your name for the record.

A. Stephen R. Goldie

Q. Where do you live?

A. 114 Liberty Hall Drive in Pendleton, South Carolina.

Q. This is in Anderson County?

A. Yes.

Q. What is your profession?

A. I am a civil engineer.

Q. Do you have a degree?

A. Yes. I attained a B.S. degree in engineering from the University of South Carolina in 1977.

Q. Please outline your work history since graduating from the University of South Carolina?

A. After graduating in 1977, I worked as an assistant to the City Engineer for the City of Charleston, South Carolina, dealing with streets and drains for approximately six months. Then I worked as an engineer in the Engineering Department for the City of Columbia, South Carolina, for approximately four years. In this capacity, I was involved with the design of water and sewer systems. I then worked with the South Carolina

1 Department of Health and Environmental Control for about three  
2 and one-half years as a permitting engineer in the Solid and  
3 Hazardous Waste Division.

4 I left DHEC to start my own business. This was in 1983. The  
5 business is now Goldie and Associates, Inc. This is a South  
6 Carolina corporation in good standing. I am the president  
7 and its sole shareholder. My corporation provides a wide  
8 range of engineering services, and its principal office is  
9 located in Seneca, South Carolina. The range of services  
10 which we provide are engineering, environmental compliance,  
11 and laboratory service and includes management of water and  
12 wastewater treatment facilities. We are also licensed to  
13 provide laboratory testing for both wastewater and drinking  
14 water. We also design wastewater treatment facilities and  
15 obtain permits, including environmental permits, for  
16 wastewater treatment facilities.

17 **Q. Specifically, what experience do you have with drinking**  
18 **water and drinking water facilities?**

19 **A.** I am actively involved as a consultant with numerous  
20 drinking water systems in all aspects, including design,  
21 permitting, compliance with regulations, testing, and E.P.A.  
22 requirements. We have a certified laboratory division and  
23 two (2) licensed operators for North Carolina and South  
24 Carolina.

1    Q.    An overview of Goldie and Associates is attached as Exhibit  
2        "A". Is it accurate?

3    A.    Yes.

4    Q.    What is JACABB Utilities, LLC?

5    A.    JACABB Utilities, LLC is a South Carolina Limited Liability  
6        Company which I formed to acquire and operate wastewater  
7        treatment facilities. It is in good standing.

8    Q.    What is your position with JACABB Utilities, LLC?

9    A.    I am the sole member, managing member, and sole owner of  
10       JACABB, Utilities, LLC.

11   Q.    What wastewater treatment facilities are JACABB approved and  
12        permitted or licensed to operate?

13   A.    Forest Hills Subdivision, the Shoals, and Rocky Ford  
14        Subdivision in Anderson County, South Carolina, and the  
15        Highpointe Development in Oconee County, South Carolina.

16   Q.    Do you have a contract to operate a wastewater treatment  
17        facility to service Highpointe Development in Oconee County,  
18        South Carolina?

19   A.    Yes.

20   Q.    Has that contract been approved by the Public Service  
21        Commission of South Carolina?

22   A.    Yes.

23   Q.    Has JACABB Utilities, LLC entered into a contract with  
24        Pointe West, Inc. dated March 26, 2008, to furnish water

1        services to Highpointe Development in Oconee County, South  
2        Carolina?

3    A.    Yes, and it is subject to approval by the South Carolina  
4        Public Service Commission.

5    Q.    Is a copy of that contract attached to the application of  
6        JACABB Utilities, LLC. as Exhibit "B"?

7    A.    Yes.

8    Q.    Does JACABB UTILITIES, LLC have approved rates and charges  
9        for water services?

10   A.    No.

11   Q.    Are you requesting that the agreement for water services  
12        with Pointe West, Inc. be approved?

13   A.    Yes.

14   Q.    Would you briefly state why you feel this request should be  
15        granted?

16   A.    As I have already stated, since graduating from the  
17        University of South Carolina in 1977, I have been involved  
18        in working with municipal and public service systems,  
19        including water, their planning and design and operations. I  
20        am currently actively involved as a consultant with numerous  
21        drinking water systems and have extensive experience in this  
22        area. I am currently responsible for operating the water  
23        system for the municipality of West Union, South Carolina.  
24        Under my management, JACABB Utilities, LLC, through Goldie

1 and Associates, has an engineering staff and licensed  
2 operators with extensive experience in dealing with  
3 providing water services. Therefore, JACABB has the  
4 technical expertise needed. Financially, I am capable of  
5 providing the water services as required by the contract.

6 For these reasons, I believe approval of the contract is in  
7 the public interest.

8 **Q. What has Goldie and Associates' involvement been with**  
9 **regard to the construction of the water distribution system**  
10 **to provide water services to the Highpointe Development?**

11 A. Our engineers designed the water distribution facilities for  
12 Highpointe Development; we obtained DHEC approval; we  
13 inspected it to insure it was constructed in accordance with  
14 the plans and specifications; and our engineers certified to  
15 that effect.

16 **Q. Where is Highpointe Development located?**

17 A. It is located on the Northern side of West Cherry Road in  
18 Oconee County, South Carolina, near Clemson.

19 **Q. Briefly describe the development.**

20 A. Highpointe Development is a multi-family and commercial  
21 development. Phase I is currently under construction, and when  
22 completed, there will be 108 residential units or customers.  
23 The developer/owner's plan is to complete three phases within  
24 three years, and once all three phases are completed, there



1      will be a total of 333 residential units. Currently, there are  
2      no customers.

3      **Q. Is another municipal utility authorized to serve the**  
4      **development with water?**

5      A. Yes. Seneca Light & Water is authorized to serve Highpointe  
6      Development, and it has agreed and authorized JACABB Utilities  
7      to own and operate the water distribution system within the  
8      proposed development. It will provide water to JACABB  
9      Utilities by a master meter.

10    **Q. Are you requesting that the proposed residential rates and**  
11    **charges contained in Exhibit "A" attached to your**  
12    **application be approved by the Public Service Commission?**

13    A. Yes.

14    **Q. Describe the basis of your rates and charges?**

15    A. Basically, we are requesting approval of a "pass through"  
16    rate based upon what Seneca Light & Water charges JACABB  
17    Utilities for water at any given time. For example, when we  
18    filed our proposed schedule of rates and charges on April 16,  
19    2008, Seneca Light & Water's commodity charge was \$3.31 per  
20    1,000 gallons of water. We have recently been advised that  
21    this will increase to \$3.51 per 1,000 gallons of water. Of  
22    course, "pass through" simply means that any increase in the  
23    commodity charge of Seneca Light & Water will be passed along  
24    to our customers.

1 Q. Did you provide notice of the "pass through" rate increase  
2 that occurred while this application was being reviewed.

3 A. Yes. JACABB provided notice of the increase to the developer  
4 of Highpointe Development and asked that the developer share  
5 the information with any contract purchasers of the  
6 condominiums. I understand that no closings have occurred  
7 for the condominiums. JACABB also filed a copy of the letter  
8 with the Commission.

9 Q. What other charge will there be to your customers?

10 A. In addition, we will charge each single family residential  
11 unit \$7.86 per month, a basic facility's charge.

12 Q. How did you arrive at this charge?

13 A. This is based upon our projected costs to operate and  
14 maintain the system in accordance with State and Federal  
15 regulations and includes operating, maintenance,  
16 administrative, and testing costs.

17 Q. Are you requesting "phased-in" rates by your application?

18 A. No, we are not. The information provided relating to  
19 different phases is for illustration purposes only and is  
20 not intended to be a request for "phased-in" rates.

21  
22 Q. Do you feel that the proposed residential rates and charges  
23 contained in schedule "A" are appropriate?

1    A. Yes. Based upon what other utilities charge in the area, and  
2       our analysis, I feel that the residential rates and charges  
3       contained in our schedule are competitive, fair and reasonable  
4       to our customers and will allow JACABB Utilities to remain  
5       viable.

6    Q. Does your proposed schedule of rates and charges, also, have  
7       a proposed commercial rate?

8    A. Yes.

9    Q. Are you requesting that the commercial rates and charges be  
10      approved by the South Carolina Public Service Commission?

11   A. Yes.

12   Q. What commercial rates and charges are contained in your  
13      proposed schedule?

14   A. Again, the commodity charge is a "pass through" rate which  
15      will be dependant upon whatever Seneca Light & Water charges  
16      at any given time. Currently it is \$3.51 per 1,000 gallons  
17      of water, and when we filed our application, it was \$3.31  
18      per 1,000 gallons of water.

19   Q. In addition to the monthly commodity charge based upon the  
20      "pass through" rate, what other charges will be billed  
21      monthly to commercial customers?

22   A. Residential customers with meters of 1" or larger will be  
23      charged the commercial rate. The basic monthly facility's

1        charges, which will be billed in addition to the commodity  
2        charge, are based upon meter size as follows:

3        1" meter -            \$16.93

4        1.5" meter -        \$31.24

5        2" meter -            \$48.17

6        3" meter -            \$95.83

7    Q.   Did you utilize the same methodology to establish commercial  
8        basic facility's charges as in the residential charges?

9    A.   Yes.

10   Q.   Again, do you feel that the commercial rates and charges  
11        contained in your schedule are competitive and fair and  
12        reasonable to the customer.

13   A.   Yes, and they are competitive with what other utilities  
14        charge.

15   Q.   Will the charges allow JACABB Utilities to remain viable?

16   A.   Yes.

17   Q.   Have you reviewed your application and all exhibits  
18        attached to it?

19   A.   Yes, and everything set forth in the application is accurate  
20        to the best of my knowledge.

21   Q.   Your proposed schedule of rates and charges, or tariff,  
22        contains proposed tap fees and reconnect charges. Are you  
23        requesting that these be approved?

24   A.   Yes.

1    Q.    Are you requesting that your entire proposed schedule of  
2            rates and charges be approved and adopted?

3    A.    Yes.

4    Q.    Does this conclude your testimony?

5    A.    Yes.

**EXHIBIT "A"**

**"Meet Goldie & Associates"**

## MEET GOLDIE & ASSOCIATES

**Goldie & Associates** (formerly Metro Engineering Consultants) was founded in 1983 by Stephen R. Goldie. From our inception, Goldie & Associates has taken a unique tack providing quality environmental and civil engineering consulting service at a reasonable cost with a strong focus on teamwork. As a result of the quality and integrity of our professional services and commitment to our clients, Goldie & Associates has grown dramatically. Our technical and consulting team includes civil and environmental engineers, hydrogeologists, regulatory and environmental systems operation specialists, chemists, technicians, draftsmen and others covering each highly specialized area of service including a complete selection of laboratory services. These key players work hand-in-hand with our clients creating our unique approach to project management which is the key to our continued success.

All project implementation is conducted under the guidance of a qualified, experienced project manager who, in cooperation with the owner, contractor and regulatory agency, oversees each project through completion.

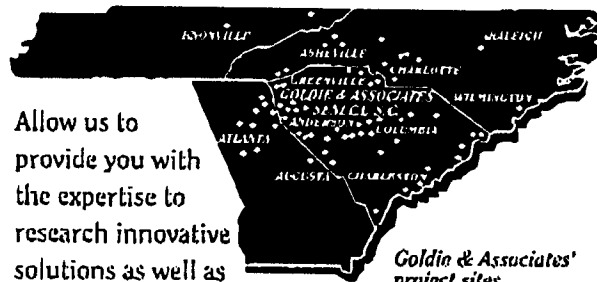
Goldie & Associates' project managers have a wide variety of expertise including hydrogeology, environmental assessment, regulatory compliance, hazardous and solid waste management, chemistry, environmental, civil and process engineering.

These qualifications allow us to offer a full range of environmental, consulting and engineering design services, as well as support services to industrial, municipal, governmental, and private clients throughout South Carolina, North Carolina and Georgia. Our areas of service include:

- ◆ **Engineering Services**
- ◆ **Environmental Compliance Services**
- ◆ **Laboratory Services**

In addition to these services, we also provide environmental field services as well as contract operation and maintenance services for water and wastewater treatment facilities allowing us to provide total project control for each of our clients, keeping you informed each and every step of the way.

As an expanding professional firm, we take great pride in a staff whose individual talents combine to offer a full range of technical and consulting services.



Allow us to provide you with the expertise to research innovative solutions as well as develop and implement practical and proven solutions in a timely manner.